

service charges. I believe, Senator Landis, there is a difference between reasonable loan rates and reasonable loan service charges. And you might, upon further opportunity to speak, explain if the statute that you referred to, relative to 1975, defines reasonable loan service charges, or is it reasonable loan service rates? I would like to ask you also that, and I believe you have more adequately explained Section 2 by your definition relative to the in state and out state. So, in effect, the Nebraska credit card holder is still subject to the provisions, useless as they are, relative to usury rates in Nebraska, at least 24 percent, I believe, whereas the out-of-state card holders are subject, perhaps, to the higher limit of 48 percent. I have no idea. I have no idea, whatsoever, what it means by the committee statement that says that they can charge 1 percent above the federal discount rate. With a federal discount rate of 6.5 or 7, all of us know that that rate has been gone many, many years, doesn't apply. I don't have any idea what it does in there. But I want to emphasize again that the two very objectionable parts of this bill are those sections which say that we are going to sanction, believe it or not, sanction transaction charges, number one, and, secondly, reasonable loan service charges. I have been called many times in the past few months by individuals who have small amounts of money on deposit in a bank who are learning, to their dismay, that there is a monthly service charge on their account, if it is below a certain amount of money, even though there is no activity on the account. A number of individuals, young people who had savings accounts have learned that this same provision applies to their savings account and that the loan service charge more than eats up any interest they might earn. I want to emphasize in this instance that in so many cases we have abdicated our responsibility in regard to interest rates. I would like to make this a really good bill and reimpose some kind of reasonable usury rate on credit cards. But I am not foolish, although I sometimes, as Senator Chambers once said, might do foolish things. I recognize I wouldn't get enough votes on that to be even respectable. The facts are, and I am somewhat concerned about this, that the institutions who are in the position of making available capital to the public have opted such...for such a strong control...

PRESIDENT: One minute.

SENATOR SCHMIT: ...of legislative bodies not only here, but in other areas and in the Congress, that the public has very little